



RBC Response

# 2018 Carbon Disclosure Project



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# Royal Bank of Canada - Climate Change 2018

## C0. Introduction

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### C0.1

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**(C0.1) Give a general description and introduction to your organization.**

Royal Bank of Canada (RY on TSX and NYSE) is one of Canada's biggest banks, and one of the largest in the world based on market capitalization. We are one of North America's leading diversified financial services companies, and provide personal and commercial banking, wealth management, insurance, investor services and capital markets products and services on a global basis. We have 81,000+ full- and part-time employees who serve 16 million clients in Canada, the U.S. and 34 other countries.

### C0.2

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**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	November 1 2016	October 31 2017	Yes	3 years
Row 2	November 1 2015	October 31 2016	<Field Hidden>	<Field Hidden>
Row 3	November 1 2014	October 31 2015	<Field Hidden>	<Field Hidden>
Row 4	November 1 2013	October 31 2014	<Field Hidden>	<Field Hidden>

### C0.3

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**(C0.3) Select the countries/regions for which you will be supplying data.**

Canada  
Guernsey  
Jersey  
United Kingdom of Great Britain and Northern Ireland  
United States of America

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**C0.4**

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**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

CAD

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**C0.5**

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**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.**

Financial control

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**C1. Governance**

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**C1.1**

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**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

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**C1.1a**

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**(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Board/Executive board	The Governance Committee of our Board of Directors provides oversight of RBC's Corporate Citizenship strategy, which includes our corporate environmental strategy. The Risk Committee of our Board of Directors provides oversight to ensure that management has established policies, processes and procedures to manage all risks, including environmental and social (E and S) risks such as climate change. E and S risks are described in our enterprise risk management and reputation risk management frameworks, which are reviewed and approved annually by the Risk Committee of the Board. RBC's Corporate Governance Framework provides an overview of our corporate governance structures, principles, policies and practices.
Chief Risk Officer (CRO)	Group Risk Management (GRM) has oversight over the management of E and S risks, with a dedicated team responsible for identifying, assessing, managing and, where possible, mitigating those issues that may pose risks to RBC. This team includes a full-time individual responsible for Climate Risk Methods, Models and Analytics.
Chief Sustainability Officer (CSO)	RBC's equivalent position to a Chief Sustainability Officer is our VP of Corporate Citizenship. This role has responsibility and accountability for RBC's environmental, social and governance strategies.

## C1.1b

### (C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding risk management policies Other, please specify (Climate Change Position and Disclosure)	The Governance Committee of our Board of Directors provides oversight of RBC's Corporate Citizenship strategy, which includes our corporate environmental strategy. The Risk Committee of our Board of Directors provides oversight to ensure that management has established policies, processes and procedures to manage all risks, including E and S risks such as climate change. E and S risks are described in our enterprise risk management and reputation risk management frameworks, which are reviewed and approved annually by the Risk Committee of the Board. RBC's Corporate Governance Framework provides an overview of our corporate governance structures, principles, policies and practices. Group Risk Management (GRM) has oversight over the management of E and S risks, with a dedicated team responsible for identifying, assessing, managing and, where possible, mitigating those issues that may pose risks to RBC. In November 2017, the Board approved RBC's Climate Change Position and Disclosure Statement (2017), which is published on RBC.com. In January 2018, a session on Climate Risks, Opportunities and Disclosures was held with the joint Risk and Audit Committees of the Board.

## C1.2

**(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Risk committee	Both assessing and managing climate-related risks and opportunities	Annually
Other committee, please specify (Enterprise Strategy Office)	Other, please specify (Cross-enterprise strategy coordination)	Not reported to the board
Other, please specify (Corporate Citizenship Group)	Both assessing and managing climate-related risks and opportunities	Annually

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.**

The Board of Directors (the Board) establishes the tone from above, approves our risk appetite, provides oversight and carries out its risk management mandate primarily through its committees which include the Risk Committee, the Audit Committee, the Governance Committee and the Human Resources Committee. The Board provides oversight to RBC's Citizenship strategy, which includes environmental programs and performance, including environmental risk and our approach to climate change.

The Risk Committee of our Board of Directors provides oversight to ensure that management has established policies, processes and procedures to manage all risks, including E&S risks such as climate change. E&S risks are described in our enterprise risk management and reputation risk management frameworks, which are reviewed and approved annually by the Risk Committee of the Board.

The Governance Committee of our Board of Directors provides oversight of RBC's Corporate Citizenship strategy, which includes our corporate environmental strategy.

Group Risk Management (GRM) has oversight over the management of E&S risks, with a dedicated team responsible for identifying, assessing, managing and, where possible, mitigating those issues that may pose risks to RBC.

RBC Corporate Citizenship Group is responsible for implementing our enterprise environmental strategy. The group develops enterprise-wide policy for the identification, assessment, control, monitoring and reporting of environmental matters, including climate change.

## C1.3

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**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

Yes

## C1.3a

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**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.**

**Who is entitled to benefit from these incentives?**

Environment/Sustainability manager

**Types of incentives**

Monetary reward

**Activity incentivized**

Emissions reduction target

**Comment**

Based on employee mandate, monetary performance incentives are influenced by these indicators. Management of environment-related issues, including climate change and energy, is a component of the performance goals of staff in RBC Environmental Affairs, RBC Corporate Real Estate and RBC Technology and Operations. RBC's performance-based compensation program links employee performance to annual incentives.

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**Who is entitled to benefit from these incentives?**

Business unit manager

**Types of incentives**

Monetary reward

**Activity incentivized**

Other, please specify (Risk management in investments/insurance)

**Comment**

Management of environment-related issues, including those related to climate change, is a component of the performance goals for senior management in Environmental and Social Risk, RBC Insurance, Global Asset Management Socially Responsible Investment Manager and staff working at the Capital Markets carbon trading desk. RBC's performance-based compensation program links employee performance to annual incentives.

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**Who is entitled to benefit from these incentives?**

All employees

**Types of incentives**

Monetary reward

**Activity incentivized**

Other, please specify (Employee Engagement)

**Comment**

Through employee environmental engagement campaigns, employees have the opportunity to win monetary prizes for demonstrating increased awareness and action on energy reduction and waste management in the workplace or in their personal lives.

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**Who is entitled to benefit from these incentives?**

Energy manager

**Types of incentives**

Monetary reward

**Activity incentivized**

Energy reduction target

**Comment**

Management of energy is a component of the performance goals of staff in Corporate Real Estate. RBC's performance-based compensation program links employee performance to annual incentives. Corporate Real Estate is also responsible for the oversight of our property management company which manages all facility managers.

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**Who is entitled to benefit from these incentives?**

Chief Executive Officer (CEO)

**Types of incentives**

Monetary reward

**Activity incentivized**

Other, please specify (Top ranking on sustainability indices)



**Comment**

RBC's CEO has included in part of his mandate to continue to be named by top sustainability indices annually. In order to achieve this outcome, RBC is required to successfully manage environmental risk, explore opportunities and successfully perform against our environmental targets and commitments.

**Who is entitled to benefit from these incentives?**

Executive officer

**Types of incentives**

Monetary reward

**Activity incentivized**

Emissions reduction target

**Comment**

Meeting relevant targets for their Business Unit or function. A number of RBC Senior Executives have commitments and targets from the RBC Environmental Blueprint assigned to their mandates. Each year, the individual's performance is reviewed in comparison to their goals and mandate. A monetary reward is determined based on the successful completion of their goals.

**Who is entitled to benefit from these incentives?**

Facilities manager

**Types of incentives**

Monetary reward

**Activity incentivized**

Energy reduction target

**Comment**

Meeting energy reduction targets. RBC's property management company (Jones Lang Lasalle) has an "energy champions" program for all Facility Managers of RBC properties. 1. Each energy champion is assigned accountability for the energy consumption in their assigned properties 2. A scorecard is developed to track the number and value of no/low cost energy conservation ideas and implementations 3. The champions compete to identify the most and best ideas and enter them into JLL's energy management system, with the results forming part of their annual Individual Performance Reviews 4. Results of the energy savings projects are incorporated into JLL's energy reporting processes to augment and normalize baseline and performance against target reporting.

**Who is entitled to benefit from these incentives?**

Risk manager

**Types of incentives**

Monetary reward

**Activity incentivized**

Other, please specify (Risk - investments, financing)

**Comment**

Managing climate change related issues within RBC's risk appetite.

**Who is entitled to benefit from these incentives?**

Other, please specify (Developing environmental ambassadors)

**Types of incentives**

Recognition (non-monetary)

**Activity incentivized**

Behavior change related indicator

**Comment**

RBC's global Green Champion Program recognizes environmental champions throughout the year with recognition and awards (sometimes monetary). Annually, RBC opens nominations for the Regional Green Champion of the Year award whereby one employee in each RBC region is awarded with a prize and recognition for being an environmental leader and influencing change locally.

## C2. Risks and opportunities

### C2.1

**(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.**

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	5	
Long-term	5	20	

### C2.2

**(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk**

**management.**

A specific climate change risk identification, assessment, and management process

**C2.2a**

**(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.**

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Annually	>6 years	As part of our approach to E and S Risk management, climate-related risks are assessed on an ongoing basis. In addition, as per our Climate Change Position and Disclosure Statement, we are also committed to produce disclosures, at least annually, that consider the recommendations of the TCFD. The aforementioned document was our first such disclosure that considers the TCFD. From July 2017-2018, RBC participated in a project coordinated by UN Environment, and involving sixteen banks, to develop methodologies for determining the impact of climate change scenarios (out to 2040) on our loan portfolio. Through this project, we have contributed to the development and publication of two reports outlining the proposed methodologies, which are currently being piloted by the participating banks.

**C2.2b**

**(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.**

Approach to E&S Risk Management:

Environmental and social (E&S) risk is the risk that an environmental or social issue associated with a client, transaction, product, supplier or activity will create a risk of loss of financial, operational, legal and/or reputational value to RBC. E&S issues include, but are not limited to: site contamination, waste management, land and resource use, biodiversity, water quality and availability, climate change, environmental regulation, human rights, Indigenous Peoples' rights and consultation, and community engagement. The magnitude of E&S risk associated with business activities is a function of several factors including the industry sector; the type and size of the transaction; the ability of the borrower to manage E&S issues; and whether real property is taken as collateral.

## Policies on E&S Risk Management:

RBC has a suite of E&S risk management policies that are enterprise-wide, business-specific or product specific. All E&S Risk policies are reviewed and updated regularly, and must be approved by the internal Policy Review Committee. E&S issues are included within the Enterprise-Wide Credit Risk Management Framework and Reputation Risk Management framework, which are approved by the Board of Directors. We regularly update our policies and procedures to address regulatory changes, emerging and evolving E&S issues, and international best practices. In addition to an enterprise-wide E&S Risk Management Policy, additional policies exist for:

Business Financial Services (Canada)

Business and Corporate Banking (Caribbean)

City National Bank (U.S.)

Capital Markets and National Client Group (global)

Project finance (Equator Principles) (global)

Asset management (global)

RBC Global Asset Management (GAM) is a signatory to the United Nations Principles of Responsible Investment (UN PRI), the leading global organization for investors committed to integrating ESG considerations into their investment practices and ownership policies. Please see the attached RBC GAM CG & RI Annual Report 2017 (<http://www.rbcgam.com/corporate-governance-and-responsible-investment/pdf/esg-executive-summary.PDF>)

## Responsibility for E&S Risk Management:

The Risk Committee of our Board of Directors provides oversight to ensure that management has established policies, processes and procedures to manage all risks, including E&S risks such as climate change. E&S risks are described in our enterprise risk management and

reputation risk management frameworks, which are reviewed and approved annually by the Risk Committee of the Board.

Group Risk Management (GRM) has oversight over the management of E&S risks, with a dedicated team responsible for identifying, assessing, managing and, where possible, mitigating those issues that may pose risks to RBC. Business segments and corporate functions are responsible for incorporating E&S risk management requirements within their operations.

Highlights of 2017 E&S risk management activities include:

Identified climate change as an emerging risk in our 2017 Annual Report.

Published a Climate Change Position & Disclosure Statement 2017, which was approved by the RBC Board of Directors and is our first disclosure that considers the recommendations of the Financial Stability Board's (FSB) Task Force on Climate Related Financial Disclosure (TCFD). See attached ([http://www.rbc.com/community-sustainability/\\_assets-custom/pdf/RBC\\_ClimateChangePosition\\_Disclosure\\_Statement\\_2017.pdf](http://www.rbc.com/community-sustainability/_assets-custom/pdf/RBC_ClimateChangePosition_Disclosure_Statement_2017.pdf))

Participated in a global project, along with 15 other Financial Institutions, coordinated by UNEP FI, to develop methodologies and approaches for assessing the impact of climate change scenarios on our loan portfolio. This work focuses on both the physical and transition risks of climate change.

Published a Modern Slavery Act Statement 2016, which sets out the steps that RBC has taken to ensure that slavery and human trafficking are not taking place in our supply chain or our businesses.

Conducted 1,942 detailed environmental credit risk assessments on financial transactions worth \$15.6 billion, a 53% and 82% change over the previous year, respectively. Reviews consider technical environmental reports; discussions with consultants, clients and lawyers; recommendations on remediation and mitigation plans; and assessment of environmental and social issues.

## C2.2c

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**(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	The Paris agreement influenced federal regulation - the Pan Canadian Framework on Clean Growth and Climate Change. The RBC Clean Economy Working Group analyzed the new policy landscape and identified opportunities for our business units and clients. We continually monitor and take into consideration the Pan Canadian Framework on Clean Growth and Climate Change (2016), Ontario's Climate Change Mitigation and Low-carbon Economy Act (2016), Alberta's Climate Change Leadership Plan (2016), British Columbia Carbon Tax Act (2008) as they indirectly impact us through our clients.
Emerging regulation	Relevant, always included	RBC is a part of a collaboration of sixteen of the world's leading banks under the UN Environment Finance Initiative (UNEP FI) to pilot the recommendations published by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). Through this collaboration, banks set out to develop and test a scenario-based approach for assessing the potential impact of climate change on their corporate lending portfolios as recommended by the TCFD. As an inaugural exercise, the output of this process is intended to provide a first, but critical step, in a longer process of responding to the TCFD recommendations.
Technology	Relevant, sometimes included	Technological advancements represent both a risk and opportunity for RBC. Risks from technology are considered from a client perspective, as certain industries may come under threat as a result of the transition to a low carbon economy.
Legal	Relevant, sometimes included	Lawsuits have been launched against companies (and FIs) related to climate change. For example: New York city is suing five oil companies claiming they contribute to global warming and have long been aware of its impact. We continually monitor any existing or emerging litigation, such as the one mentioned above, to determine potential impacts on our business or our clients.
Market	Relevant, sometimes included	We are currently investigating the impact that climate change will have on our market risk.
Reputation	Relevant, always included	RBC's vision is to be one of the world's most trusted and successful financial institutions. To achieve this vision, RBC's reputation is carefully considered in all aspects of its business and decision-making. This process is guided by robust organizational policies on environmental and social risk management which connect with our overarching reputational risk framework.
Acute physical	Relevant, sometimes included	Acute physical events such as hurricanes or flooding can have an impact on RBC or our clients' ability to do business. RBC is guided by a Business Continuity Management program to ensure continued operation during crises, incidents or major business interruptions (e.g. increasing severity and frequency of storms).
Chronic physical	Relevant, sometimes included	The impacts of climate change are already being felt and as it continues it may adversely affect the health, safety and security of our communities, and the economies within which RBC and our clients operate. RBC understands that climate change has the potential to impact global financial stability which will have implications for all sectors of the economy.
Upstream	Not relevant, explanation provided	RBC is a financial institution and does not have any significant upstream risk factors that could impact its operations.
Downstream	Relevant, sometimes included	From July 2017-2018, RBC participated in a project coordinated by UN Environment, and involving sixteen banks, to develop methodologies for determining the impact of climate change scenarios on our loan portfolio. Through this project, we have contributed to the development and publication of two reports outlining the proposed methodologies, which are currently being piloted by the participating banks.

## C2.2d

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### **(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.**

We consider the direct and indirect impact of climate change. The direct impacts that we consider relate to: the physical effects of climate change on our operations; the reputation impacts of changing consumer expectations; and potential impacts from current and future regulatory changes. The indirect impacts that we consider relate to our clients' exposure to climate change regulations. These risks are monitored by internal groups at varying frequencies, based on internal policies and procedures, and as needed. Monitoring takes place through ongoing transaction reviews, implementation of procedures, regular policy review, our business continuity management program, and ongoing evaluation and reporting of our corporate environmental strategy.

At an asset level, climate change impacts are managed as part of the Enterprise Risk team, in Group Risk Management. Environmental and social risks, including climate change, are identified as potential drivers of other risk types (e.g., credit, market, operational, regulatory, strategic, reputational, insurance, systemic). RBC has a suite of E&S risk management policies, which include policies that are enterprise-wide, business-specific, product and/or service specific, sector and/or issue specific, and that address our business activities. Our E&S risk management policies apply a risk-based approach whereby enhanced due diligence and escalation procedures apply to high risk sectors, clients and business activities. For example, for clients in sectors categorized as medium and high environmental risk, this includes evaluation of whether clients have assessed and quantified the regulatory impacts of climate change. For example, for project financing this includes identification of projects with GHG emissions (combined Scope 1 and Scope 2) that are expected to be greater than 100,000 tonnes of CO<sub>2</sub> equivalent annually, and a required alternatives analysis that considers less GHG intensive alternatives for these projects.

At a corporate level, research and information on the direct and indirect impacts of climate change is assessed to determine materiality and if or when necessary, to identify opportunities to manage and/or mitigate these impacts. When assessing the actual or potential impacts of climate regulation on clients, we consider what actions the client has taken to manage and/or mitigate these impacts, and recommend approaches, where necessary. On a case-by-case basis, if a transaction is deemed to pose a potential risk (e.g., due to climate change impacts), it may be escalated to a senior oversight committee for review and decision. On an annual basis, RBC's Group Operating Committee Executive, chaired by our CFO, reviews the implementation of our corporate environmental strategy to determine our effectiveness and ability to meet targets. Since 2007, we have identified climate change as one of our three priority environmental issues within this strategy.

## C2.3

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**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

No

## C2.3b

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**(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

	Primary reason	Please explain
Row 1	Evaluation in process	E and S risks, including climate change, may be drivers of other risk types including credit, legal and reputation risks. We are monitoring our exposure to sectors or subsectors that are potentially exposed to transition and physical risks, and analyzing specific risk drivers at a more granular level. Climate risk is a complex and evolving area of risk and we are committed to taking the necessary steps to better understand and, where necessary, respond to all material climate-related risks to our business. RBC will assess the resilience of key lines of business to climate change scenarios, including a 2 degree C scenario. The lines of business and sectors that will be selected for this assessment will be based on gross credit exposure and materiality of transition and physical risks to those lines of business and sectors. Methodologies for conducting climate change scenario analysis on a loan portfolio continue to develop, and we are actively engaged in their development and the establishment of best practices.

## C2.4

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**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.4a

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**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1



**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Markets

**Primary climate-related opportunity driver**

Access to new markets

**Type of financial impact driver**

Other, please specify (Growth in the low carbon economy )

**Company- specific description**

The most significant opportunity resulting from climate change is financing activities that help reduce or avoid greenhouse gas emissions or help to protect against the physical impacts of climate change. Examples include the financing of companies or projects that support renewable energy, green buildings, clean technologies or new infrastructure; however it is a challenge to determine the positive financial implications and costs associated with these opportunities as they are not always directly driven by climate change. These opportunities are primarily driven by a combination of economic, environmental and social factors. A key tenant of the Paris Agreement is the need to direct financial flows consistent with a pathway towards low carbon and climate-resilient development. The most impactful way we can enable clients to respond to climate change is through what we do best: financial products, services and advice. We are committed to accelerating the flow of capital to clients engaged in efforts to mitigate and adapt to climate change, and to those providing products and services that enable others to do so.

**Time horizon**

Medium-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium

**Potential financial impact**

18000000000

**Explanation of financial impact**

For a number of years, we have tracked and reported growth in business activities related to the transition to the low carbon economy. The data reflected above is summarized below (2017 data): Financing of clean energy companies: \$4.0 billion Direct investments in clean energy through RBC Tax Equity Group in US: \$836 million Underwriting of green bonds: \$5.1 billion Total value of SRI assets under management: \$5.5 billion Financing cleantech companies: \$100 million Total financing and investments that support the transition to low carbon economy is \$15.5 billion in 2017. Under a conservative 3% year-over-year growth projection, our financing and investments that support the transition to low carbon economy would be \$18 billion by 2022. The figures provided are conservative. We currently do not have

sufficient visibility into all of RBC's low carbon financing and investment activities, but we have plans to improve how we track and report this information.

### Strategy to realize opportunity

Our Action Plan : We will accelerate clean economic growth and support the low carbon transition through five key actions where we can make a meaningful and positive contribution. 1. Support all clients in the low carbon transition with products, services and advice 2. Advance our capabilities in climate-related risk management 3. Achieve net-zero carbon emissions for our global operations 4. Speak up for smart climate solutions 5. Use technology innovation to create solutions and reduce the complexity

### Cost to realize opportunity

1000000

### Comment

The current annual costs associated with developing this opportunity is an estimate of the annual employee salaries and other resources required to develop the above opportunities = \$1 million per year

### Identifier

Opp2

### Where in the value chain does the opportunity occur?

Direct operations

### Opportunity type

Resource efficiency

### Primary climate-related opportunity driver

Please select

### Type of financial impact driver

Please select

### Company- specific description

Since 2012, RBC has more than tripled the amount of LEED certified space that we occupy bringing our total to 613,553 m2 of certified office space. We received LEED certification at two major office buildings: LEED Gold (EBOM) for 180 Wellington and LEED Gold (CI) for RBC WaterPark Place. After one year of occupancy, 180 Wellington saw a 36% energy reduction due to the renovation upgrades. As well, after one year of occupancy, RBC WaterPark Place has achieved an Energy Star rating of 100 the highest possible score).

### Time horizon

Current

### Likelihood

Virtually certain

### Magnitude of impact

Medium

**Potential financial impact**

22255340

**Explanation of financial impact**

We compared the operational costs per square foot of occupied space of our LEED building portfolio to our non-LEED building portfolio. We used this difference to calculate what our operational costs would be had we not invested in our Green Building Strategy. This resulted in estimated yearly operational savings of over \$22 million.

**Strategy to realize opportunity**

RBC is dedicated to leasing LEED Certified office space. We voluntarily implemented that any new Major Office space that we move into will be at least LEED Gold certified. At the end of 2017, 66% of our major properties globally were minimum LEED Gold Certified. Adopting this voluntary standard allows us to be more informed about the performance of our real estate properties that we occupy which then allows us to develop energy efficiency projects resulting in lower GHG emissions. We also voluntarily have our energy and GHG emissions are audited by a third party on an annual basis. Our LEED certified floor space has grown nearly 297% since our adoption of the strategy in 2012.

**Cost to realize opportunity****Comment**

We are unable to accurately quantify the cost to realize our Green Building Strategy as this is embedded in our broader Corporate Real Estate strategy and is now considered a business as usual operation.

**C2.5**

**(C2.5) Describe where and how the identified risks and opportunities have impacted your business.**

	Impact	Description
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	Impact	Description
Products and services	Impacted for some suppliers, facilities, or product lines	RBC as begun providing products and services that help grow the low carbon economy. For example, introduced in 2017, the RBC Vision Fossil Fuel Free Global Equity Fund seeks to achieve long-term capital growth by investing in equity securities from around the globe. The Fund avoids companies that are directly involved in extracting, processing or transporting coal, oil or natural gas and also utilizes an exclusion list based on 'The Carbon Underground 200'. RBC Vision Fossil Fuel Free Global Equity Fund, like all mandates managed by RBC Global Asset Management, applies an integrated environmental, social and corporate governance practice. Green Mortgages and Lines of Credit: The RBC Energy Saver Loan provides clients with a 1% interest rate discount or a \$100 rebate on a home energy audit with a qualifying purchase through a fixed rate loan over \$5,000. The RBC Energy Saver Mortgage provides clients with a \$300 rebate on a home energy audit. Carbon Trading: RBC Capital Markets offers extensive expertise and full capabilities in emissions trading. Green bonds: In 2017, RBC led green bond transactions worth \$5.1 billion. Clean energy financing and investment: In 2017, RBC's total exposure to renewable energy companies was \$4.0 billion. RBC made tax equity investments of US\$321 million in US-based wind and solar projects, for a total of \$581 million since 2015.
Supply chain and/or value chain	Impacted for some suppliers, facilities, or product lines	In 2018, RBC became a member of CDP Supply Chain and has invited its top 40 suppliers to respond to CDP as part of the supply chain program. We anticipate using these responses to engage our suppliers to improve their sustainability performance and strategies, and to work in collaboration with them on areas of intersection. We anticipate expanding this program to other large vendors within our supply chain in future years. We also practice responsible and sustainable sourcing and effective supply chain management. We have a principles based Supplier Code of Conduct ( <a href="http://www.rbc.com/sourcing/Supplier_Code_of_Conduct_table.pdf">http:// www.rbc.com/sourcing/Supplier_Code_of_Conduct_table.pdf</a> ) to ensure the behaviour of our suppliers aligns with RBC standards, with an externally verified process to monitor supplier acknowledgement of the Code. A specific example of our supplier engagement program is through Project One Stop. This project aimed at reducing the number of deliveries to our Canadian properties by consolidating shipments and adjusting delivery frequencies. Since the project's launch in 2012, we have seen a 50% reduction in GHG emissions associated with the transportation of goods, and a 10% increase in the number of packages consolidated per delivery.
Adaptation and mitigation activities	Impacted	Our Environmental and Social Risk team has developed environmental risk policies aimed at mitigating our climate-related risks. They are currently working on mapping our critical properties against physical aspect risks due to climate change. Please refer to the response in question 2.2b and 2.2d for more information.
Investment in R&D	Impacted	RBC is investing in technologies that will help us project how climate change will increase the likelihood of acute physical events and their potential to impact our ability to do business. These investments will allow us to make better risk-based decisions and to provide our clients with advice on their climate change related risks.
Operations	Impacted	As a result of the identified risks and opportunities related to climate change, RBC has reduced our greenhouse gas (GHG) emissions by 23% since 2012 through green building design and operation of our properties, energy efficiency and Internet of Things programs with better control of thermostats, light switches, and power meters. We are currently one of the largest lease-holders of Leadership in Energy and Environmental Design (LEED) certified office space and one of Canada's largest corporate purchasers of Canadian-generated clean electricity.
Other, please specify	Please select	

## C2.6

**(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.**

	Relevance	Description
Revenues	Impacted	<p>Opportunities: For a number of years, we have tracked and reported growth in business activities related to the transition to the low carbon economy. The data reflected above is summarized below (2017 data): Financing of clean energy companies: \$4.0 billion Direct investments in clean energy through RBC Tax Equity Group in US: \$836 million Underwriting of green bonds: \$5.1 billion Total value of SRI assets under management: \$5.5 billion Financing cleantech companies: \$100 million Total financing and investments that support the transition to low carbon economy is \$15.5 billion in 2017. Under a conservative 3% year-over-year growth projection, our financing and investments that support the transition to low carbon economy would be \$18 billion in 2022. The figures provided are conservative. We currently do not have sufficient visibility into all of RBC's low carbon financing and investment activities. Risks: Climate related risks and associated regulations can tighten credit markets and make certain sectors less desirable from a credit perspective.</p>
Operating costs	Impacted	<p>In 2017, RBC's total estimated energy spend in Canada was \$73.8 million. We expect an upward trend in costs due to market and regulatory factors, especially in Ontario, which is 56% of our Canadian sf and 60% of our utility consumption. We also anticipate rent and property insurance will rise in regions that have a higher risk due to climate change.</p>
Capital expenditures / capital allocation	Impacted	<p>RBC had climate change related capital expenditures in 2017 in the following categories: Energy Efficiency Projects Continued to retrofit lighting with energy efficient LED technologies in our Major Properties. In 2017, numerous major offices and retail properties had their base building lighting upgraded to LED, in some cases, with advanced control systems also implemented. Total annual savings from these locations will be nearly 1,900 MWh. Continued our office space optimization strategy which has reduced our office space requirements by over 81,658m2 since 2009, resulting in total energy savings of more than 27,000 MWh. Purchasing Renewable Power Purchased 20,000MWh of EcoLogo-certified green electricity that powered our entire ATM and retail branch digital display networks, a number of external meetings and major sponsored events such as the 2017 RBC Canadian Open and RBC Heritage. Leasing and Building Green Increased the amount of LEED certified office space we occupy by 297% from our 2012 baseline. We currently occupy 693,185 m2 of LEED certified office space. These buildings have been designed with numerous energy efficiency features that reduce indirect GHG emissions. Green IT Achieved annual power usage effectiveness (PUE) values of 1.80 and 1.56 at two of our enterprise data centres. Increased the number of video-conferencing endpoints for a total of 487 Video conferencing reduces the need to travel and its associated GHG emissions. It also allows for shortened project times as a result of improved communications among team members.</p>
Acquisitions and divestments	Impacted	<p>RBC has made an acquisition of a specialty team that focuses on geospatial intelligence to support our work in climate analytics. RBC has not made any divestments.</p>
Access to capital	Not impacted	<p>As a financial institution our access to capital has not been impacted by climate related risks or opportunities.</p>
Assets	Impacted	<p>We expect some change over time in our loan portfolio due to the transition to a low carbon economy. Theoretically, high carbon industries will see a reduction in loan activity while low carbon industries will see growth.</p>
Liabilities	Not impacted	<p>We do not expect interest or expense related liabilities to be materially impacted by climate change in the short or medium terms.</p>
Other	Please select	

## C3. Business Strategy

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### C3.1

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#### **(C3.1) Are climate-related issues integrated into your business strategy?**

Yes

### C3.1 a

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#### **(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?**

Yes, qualitative and quantitative

### C3.1 c

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#### **(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.**

i) As Canada's largest bank by market capitalization, we see an opportunity to ensure that we use our influence for good. RBC's purpose is "helping clients thrive and communities prosper". "Supporting the development of a clean economy" is one of four areas of focus. RBC identified five pillars that represent our business strategy: Sustainable Growth; Exceptional Client Experience; Best Talent; Simplify Agile and Innovate; Community and Social Impact (all with direct and indirect links to climate change). The clearest link is the influence climate change has on Sustainable Growth. With more than 16 million personal, business, public sector and institutional clients globally comes material climate change related risks and opportunities to be managed. The internal process for collecting and reporting information to influence the strategy is driven by: Corporate Citizenship (enterprise climate strategy), Group Risk Management (climate risk), Office of the CEO (climate thought leadership & research), Corporate Real Estate (carbon and energy reduction programs), and the Clean Economy Working Group (climate business opportunities). All groups identify risk and opportunity to inform business strategies.

ii) As a financial services company, our products and services do not have a material impact on emissions and energy, however, we recognize that there are downstream emissions related to our business. We are currently working on quantifying emissions as a result of our financing and investing activities as part of the UNEP led pilot program on the FSB TCFD. This will provide us with the opportunity to more directly link our business to emissions or energy in the future. Subsets of our business (such as Corporate Real Estate, Corporate Citizenship, Physical Network Distribution, Information Technology and Operations) have their strategies linked to emissions and energy reduction targets.

iii) We invest where we see the greatest potential for Sustainable Growth, focusing on markets and client segments where we can be a leader. We're a Canadian leader in carbon emissions trading, green bond underwriting and financing clean energy projects. RBC is the only Canadian FI with a nation-wide Cleantech Advisory Team with >\$100 million in cleantech banking business and nearly 40 clients in Ontario.

In 2017, RBC became of a member of CDP Supply Chain and has invited its top 40 suppliers to respond to CDP as part of the supply chain program. We anticipate using these responses to engage our suppliers to improve their sustainability performance and strategies, and to work in collaboration with them on areas of intersection. This program will help us better quantify and reduce our Scope 3 emissions.

Our decision to join the UNEP pilot program on the FSB TCFD has resulted in investments in climate analytics which will help RBC better understand the risks to our business and our clients' businesses as a result of climate change.

iii) We invest where we see the greatest potential for Sustainable Growth, focusing on markets and client segments where we can be a leader. We're a Canadian leader in carbon emissions trading, green bond underwriting and financing clean energy projects. RBC is the only Canadian FI with a nation-wide Cleantech Advisory Team with >\$100 million in cleantech banking business and nearly 40 clients in Ontario.

In 2017, RBC became of a member of CDP Supply Chain and has invited its top 40 suppliers to respond to CDP as part of the supply chain program. We anticipate using these responses to engage our suppliers to improve their sustainability performance and strategies, and to work in collaboration with them on areas of intersection. This program will help us better quantify and reduce our Scope 3 emissions.

Our decision to join the UNEP pilot program on the FSB TCFD has resulted in investments in climate analytics which will help RBC better understand the risks to our business and our clients' businesses as a result of climate change.

v) Banking & financial services: We have a responsibility to support the growth of low carbon businesses and make it easy for clients to do low carbon banking. We offer a range of SRI funds, a RBC Fossil Fuel Free Global Equity Fund; solar panel financing for businesses and we have offered Energy Saver loan and mortgage products since '08.

Changing how we work: We're responsible for managing the energy and carbon impacts of our operations. We reduced operational GHG emissions by 48% since 2009. We're one of the largest purchasers of renewable energy, and one of the largest leasers of certified green office space in Canada. We proactively review and update our E&S risk mgmt policies to address evolving issues related to climate change. We report publicly on our progress and provide climate related disclosures that reflect internationally recognized best practices and standards.

Influence & partnerships to support a clean economy: We publicly support pricing carbon, combined with flexible regulations and public investment. Please see RBC's 2017 research report on carbon pricing to learn more:

<https://www.rbccm.com/assets/rbccm/docs/news/2017/carbon-levies-oct-2017.pdf>. RBC became a founding member of Smart Prosperity and issued a report on accelerating clean innovation in Canada (<https://www.smartprosperity.ca/thinking/accelerating-clean-innovation-canada>). We also joined the Carbon Pricing Leadership Coalition.

vi) Banking and financial services to support a clean economy are important to our long-term strategy. We recognize the opportunities associated with being the "go-to-bank" for clean energy, cleantech, energy efficiency, green bonds, low-carbon investing, carbon trading, and infrastructure. We recognize the need to continue to investigate and assess climate change risks and develop appropriate climate-related financial disclosures. We committed to a UNEP FI led project to pilot the implementation of the Financial Stability Board's (FSB) recommendations on climate-related financial disclosures.

vii) Enhanced risk mgmt: Better mitigate credit, operational and reputation risk related to climate. Revenue opportunities: Be the "go-to-bank" for clean energy, cleantech, energy efficiency, green bonds, low-carbon investing, carbon trading. Reputation: Be the "go-to-bank" for thought leadership and research on how financial markets can contribute to SDGs, Paris Agreement and national and sub-national climate targets. Employee attraction & retention: Leadership in corporate citizenship and action on climate is recognized as a motivator for employee satisfaction.



viii) The Paris agreement influenced federal regulation - the Pan Canadian Framework on Clean Growth and Climate Change. The RBC Clean Economy Working Group analyzed the new policy landscape and identified opportunities for our business units and clients. The Paris Agreement impacts both our short and long term strategies - see v & vi

### C3.1d

**(C3.1d) Provide details of your organization's use of climate-related scenario analysis.**

Climate-related scenarios	Details
2DS	From July 2017-2018, RBC participated in a project coordinated by UN Environment, and involving sixteen banks, to develop methodologies for determining the impact of climate change scenarios on our loan portfolio. Through this project, we have contributed to the development and publication of two reports outlining the proposed methodologies, which are currently being piloted by the participating banks. While details on the climate change scenarios and methodologies can be found in the published reports, for transition risk this included a 2 degree C and 1.5 degree C scenarios out to 2040, and for physical risk this included a 2 degree C and 4 degree C scenarios out to 2040. The methodologies developed require the analysis of impacts at the client level and extrapolation of these to a portfolio level, using traditional credit risk metrics such as Probability of Default, Expected Loss, Loss Given Default and Loan to Value.
Other, please specify (REMIND)	The climate changes scenarios and methodology described in the published reports use the REMIND model, with supplementary inputs from IEA, NDCs and others.

## C4. Targets and performance

### C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Both absolute and intensity targets

### C4.1a

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Scope**

Scope 3: Upstream transportation & distribution

**% emissions in Scope**

60

**% reduction from base year**

54

**Base year**

2012

**Start year**

2012

**Base year emissions covered by target (metric tons CO2e)**

365

**Target year**

2018

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**% achieved (emissions)**

100

**Target status**

Underway

**Please explain**

Our target as presented in the RBC Environmental Blueprint is to reduce GHG emissions by 20% from our Canadian logistics and delivery network by 2018. Data presented represents approximately 60% of our Canadian deliveries. We have successfully achieved our 20% reduction target and far exceeded it by reducing our GHG emissions by 50% from our baseline year of 2012. We are in the process of developing new ambitious emission reduction targets, which will be presented in our new Enterprise Environmental Strategy that will be publicly released in 2018. Calculations: 2012 baseline emissions: 365 tonnes CO2e, FY 2017 emissions: 169 tonnes CO2e. Difference between baseline and 2017: 54%.

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**C4.1b**

**(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

**Target reference number**

Int 1

**Scope**

Scope 1+2 (location-based)

**% emissions in Scope**

90

**% reduction from baseline year**

20

**Metric**

Metric tons CO2e per square meter\*

**Base year**

2012

**Start year**

2012

**Normalized baseline year emissions covered by target (metric tons CO2e)**

0.083

**Target year**

2018

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**% achieved (emissions)**

100

**Target status**

Underway

**Please explain**

Our target as presented in the RBC Environmental Blueprint is to reduce GHG emission intensity by 20% in our properties by 2018. Data presented represents 90% of our global operations based on floor area. Since 2009, we have been able to measure and report our energy consumption for 100% of our properties located in Canada, the U.S. and the British Isles. We have achieved this target and reduced our emissions by 23.5% from the baseline year of 2012. We are in the process of developing new ambitious emission reduction targets, which will be presented in our new Enterprise Environmental Strategy that will be publicly released in 2018.

**% change anticipated in absolute Scope 1+2 emissions**

-23.5

**% change anticipated in absolute Scope 3 emissions**

0

**C4.2**

**(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.**

**Target**

Waste

**KPI – Metric numerator**

Office Paper Use (kg)

**KPI – Metric denominator (intensity targets only)**

Per Employee (FTE)

**Base year**

2012

**Start year**

2012

**Target year**

2018

**KPI in baseline year**

46.4

**KPI in target year**

37.1

**% achieved in reporting year**

100

**Target Status**

Underway

**Please explain**

Our target as presented in the RBC Environmental Blueprint is to reduce office paper use per employee (kg/FTE) by 20% across our operations by 2018. Data presented represents 85% of our global FTE count. We have achieved this target and reduced our paper use per employee by 32.5% from the baseline year of 2012. We are in the process of developing new ambitious waste reduction targets, which will be presented in our new Enterprise Environmental Strategy that will be publicly released in 2018.

**Part of emissions target**

Not Applicable.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

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**Target**

Energy productivity

**KPI – Metric numerator**

LEED certified office space (m2)

**KPI – Metric denominator (intensity targets only)****Base year**

2012

**Start year**

2012

**Target year**

2018

**KPI in baseline year**

174750

**KPI in target year**

329500

**% achieved in reporting year**

100

**Target Status**

Underway

**Please explain**

Our target as presented in the RBC Environmental Blueprint is to double the amount of LEED certified space we occupy by 2018. We have achieved this target and increased our amount of LEED certified office space by 297% from the baseline year of 2012. We are in the process of developing new ambitious environmental targets, which will be presented in our new Enterprise Environmental Strategy that will be publicly released in 2018.

**Part of emissions target**

Our green building strategy is a key contributor to our emissions reductions targets as buildings contribute the majority of RBC's scope 1 and scope 2 emissions.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

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## C4.3

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**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year?**  
**Note that this can include those in the planning and/or implementation phases.**

Yes

## C4.3a

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**(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*	1	659
Implementation commenced*	1	880
Implemented*	2	3216
Not to be implemented		

## C4.3b

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**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Activity type**

Energy efficiency: Building services

**Description of activity**

Building controls

**Estimated annual CO2e savings (metric tonnes CO2e)**

790

**Scope**

Scope 1

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

560000

**Investment required (unit currency – as specified in CC0.4)**

1700000

**Payback period**

4 - 10 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

RBC implemented an Internet of Things (IoT) building automation and control strategy in the 2017 year. We provided 288 branches with Smart Thermostats, Smart Light Switches and Power Meters where appropriate. This is expected to reduce electricity consumption by 6 million kWh.

**Activity type**

Low-carbon energy purchase

**Description of activity**

Other, please specify (Mix of renewable sources)

**Estimated annual CO2e savings (metric tonnes CO2e)**

2666

**Scope**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

0

**Investment required (unit currency – as specified in CC0.4)**

397498

**Payback period**

&gt;25 years

**Estimated lifetime of the initiative**

Ongoing

**Comment**

There is no payback associated with purchasing renewable energy credits; this investment is simply to demonstrate our support for the growth of renewable energy.

**Activity type**

Energy efficiency: Processes

**Description of activity**

Please select

**Estimated annual CO2e savings (metric tonnes CO2e)****Scope**

Scope 1

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)****Investment required (unit currency – as specified in CC0.4)****Payback period**

4 - 10 years

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Green IT: Achieved power use effectiveness (PUE) values of 1.80 and 1.56 at our Canadian enterprise data centres.

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**Activity type**

Energy efficiency: Processes

**Description of activity**

Please select

**Estimated annual CO2e savings (metric tonnes CO2e)**

200

**Scope**

Scope 1

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

175000

**Investment required (unit currency – as specified in CC0.4)**

1187769

**Payback period**



4 - 10 years

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Green Logistics: In 2012, we launched Project One-Stop, aimed at reducing the number of deliveries to our Canadian properties by consolidating shipments and adjusting delivery frequencies. Since the project's launch in 2012, we have seen a 54% reduction in GHG emissions associated with the transportation of goods, and a 10% increase in the number of packages consolidated per delivery. In 2017, consolidating shipments and adjusting delivery frequencies saved an estimated \$175,000 in delivery costs per year against a \$1.2 million investment.

**Activity type**

Other, please specify (Behavioural Change)

**Description of activity**

&lt;Field Hidden&gt;

**Estimated annual CO2e savings (metric tonnes CO2e)**

0

**Scope**

Scope 1

Scope 2 (location-based)

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

0

**Investment required (unit currency – as specified in CC0.4)**

0

**Payback period**

&lt;1 year

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Environmental campaigns throughout the year: Green Champions Program: An internal program aimed to develop an environmental culture at the local level. The program is voluntary and colleagues act as environmental ambassadors for corporate environmental initiatives. In 2017 we focused on local waste management education. Green Champions act as local centres of expertise to provide Corporate Environmental Affairs with important local

knowledge related to environmental initiatives. The program currently has 440 registered champions representing all RBC regions, functions and lines of business. Green Champion Badge: We launched an employee engagement badge whereby all RBC colleagues are invited to complete four environmental missions in order to achieve the badge. The four missions are based on: becoming a green champion/ambassador, being a volunteer for the environment, learning about RBC's energy footprint, passing a quiz and engaging their local network. Thousands of RBCers have begun achieving the badge. Earth Hour Pledge: +5,000 employees participated in our Earth Hour pledge to participate. Renewable Power Week: RBC hosted a renewable power week where we green powered all of our canadian operations (branched, major offices and data centres for an entire week).

### Activity type

Other, please specify (Behavioural Change)

### Description of activity

<Field Hidden>

### Estimated annual CO2e savings (metric tonnes CO2e)

0

### Scope

Scope 3

### Voluntary/Mandatory

Voluntary

### Annual monetary savings (unit currency – as specified in CC0.4)

0

### Investment required (unit currency – as specified in CC0.4)

0

### Payback period

<1 year

### Estimated lifetime of the initiative

Ongoing

### Comment

Videoconferencing implementation across our portfolio continues. This initiative reduces the need to travel. In 2017, we increased our meeting room telepresence endpoints by 30 to a total of 487. It is difficult to quantify this type of carbon savings; however, we reduced the need for employee travel by using remote collaboration tools for more than 1.7 million hours of meetings.

### Activity type

Energy efficiency: Building services

### Description of activity

Lighting

**Estimated annual CO2e savings (metric tonnes CO2e)**

204

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

650000

**Investment required (unit currency – as specified in CC0.4)**

1700000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

16-20 years

**Comment**

RBC is in the process of implementing LED Lighting Retrofits at 240 branches across Canada. The location selection and design process was completed in FY2017, with construction scheduled for early FY 2018.

**C4.3c****(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Dedicated budget for energy efficiency	We have had a dedicated budget for energy efficiency projects in our properties since 2009. Business case established on a number of premises including cost savings, consistency with environmental strategy and publicly made commitments to reducing energy and GHG emissions, alignment with RBC business units that are promoting environmental benefits and positive reputational benefits.
Dedicated budget for other emissions reduction activities	We have had a dedicated budget for purchasing green power since 2005. Since then, we have purchased over 134,000 MWh of certified green power, equivalent to powering more than 9,500 Canadian homes. Business case established on a number of premises including consistency with environmental strategy and publicly made commitments to reduce GHG emissions associated with energy use in our properties, support for the renewable energy sector and the greening of Canada's electricity grid, good marketing opportunities, and positive environmental and reputational benefits.

Method	Comment
Employee engagement	RBC Corporate Environmental Affairs has a budget to manage the Green Champion Program to improve RBC's energy efficiency and manage our overall environmental footprint. RBC has more than 440 registered green champions who represent each RBC region, function and line of business. Business case established on a number of premises including positive employee experience that helps to retain and attract top talent, cost savings, and positive environmental and reputational benefits.
Internal incentives/recognition programs	Internal incentives and employee recognition are used to reward performance in emission reduction activities including executives, energy managers and developing leaders. See response to question 1.3(a) for more details on incentive and recognition programs.

## C4.5

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**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

## C4.5a

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**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

### Level of aggregation

Group of products

### Description of product/Group of products

Energy Saver Loan and Mortgage Products RBC offers the RBC Energy Saver Loan and RBC Energy Saver Mortgage products in Canada, which help clients qualify for rebates on home energy audits and/or create a more energy efficient home while saving on borrowing costs.

### Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

### Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (None)

### % revenue from low carbon product(s) in the reporting year

0.1

### Comment

RBC Energy Saver Loan: <http://www.rbcroyalbank.com/personal-loans/energy-saver-loan.html?topnavclick=true> RBC Energy Saver Mortgage:

<http://www.rbcroyalbank.com/mortgages/energysaver-mortgage.html>

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**Level of aggregation**

Product

**Description of product/Group of products**

Energy Efficiency Lending Program: With energy and fuel costs rising and unpredictably, energy retrofits are becoming a proven way to save energy and reduce costs and environmental impacts. The RBC Energy Efficiency lending program helps businesses assess energy-saving opportunities, and lends them the funds to help realize those savings. Loans are structured to minimize the impact on existing cash flow by including the expected energy cost savings in the loan amortization schedule. In short, businesses get all the benefits of a greater energy-efficiency with minimal impact on cash flow.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (None)

**% revenue from low carbon product(s) in the reporting year**

0.1

**Comment**

---

**Level of aggregation**

Company-wide

**Description of product/Group of products**

Climate Change Business Advice: Canadian Banking Green Strategy for commercial and small business clients that identifies three areas of opportunity for financing: green buildings, small and medium renewable energy projects and cleantech in knowledge based industries. The Greening Your Business section of our Commercial Advice Centre offers valuable tools and resources to support businesses looking to shift to more sustainable business models.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (None)

**% revenue from low carbon product(s) in the reporting year**

0.1

**Comment**

---

**Level of aggregation**

Group of products

**Description of product/Group of products**

Protecting Homeowners Against the Physical Impacts of Climate Change: Many regions across North America are experiencing more violent and frequent storms, one of the many emerging realities of climate change. The Insurance Bureau of Canada reports that Catastrophic weather events in Canada are intensifying and increasing in frequency. From 1983 to 2008, the Property and Casualty insurance sector had claims in the \$200–500 million range. However from 2009 onward, claims have consistently exceeded \$1 billion. According to Catastrophe Indices and Quantification, insured damage for 2016 topped \$4.9 billion - smashing the previous annual record of \$3.2 billion set in 2013. The Fort McMurray wild fire alone resulted in approximately \$3.7 billion in insured damage. More than twice the amount of the previous costliest natural disaster on record. To help protect homeowners from expensive repairs, RBC Insurance has identified some key areas where water damage can occur in the home and advice to prevent such damage: Ten Ways to Prevent Water Damage to Your Home advice webpage and our Water Damage Checklist (<https://discover.rbcroyalbank.com/ten-ways-to-help-protect-against-basement-flooding/>). RBC insurance created a video addressing the potential impact from climate change on homes. RBC also offers financing for flood prevention projects through home renovation credit solutions. (<http://rbccorpea.newsweaver.com/greenrbcnewsletterenglish/ponpdyhep1y1b4031nl0o2?a=5&p=52693027&t=29403319>)

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (None)

**% revenue from low carbon product(s) in the reporting year**

0.1

**Comment**

Protecting Homeowners Against the Physical Impacts of Climate Change:  
<https://www.rbcinsurance.com/home-insurance/prevent-minimize-property-damage.html>

**Level of aggregation**

Group of products

**Description of product/Group of products**

Responsible Investing: RBC has eight socially responsible investing (SRI) mutual fund products through RBC Global Asset Management using SRI research and ESG screens developed by Jantzi-Sustainalytics. Climate change is a common screen used to evaluate companies and sectors included in the funds. Total assets under management for the combined SRI products are \$5.5 billion (Oct 31, 2017). RBC also offers high net worth clients and other clients personalized screens through its SRI Wealth Management Group. Clients

can choose investment options that focus specifically on carbon and climate change related opportunities or factors, including those related to adaptation. Introduced in 2017, the RBC Vision Fossil Fuel Free Global Equity Fund seeks to achieve long-term capital growth by investing in equity securities from around the globe. The Fund avoids companies that are directly involved in extracting, processing or transporting coal, oil or natural gas and also utilizes an exclusion list based on 'The Carbon Underground 200'. RBC Vision Fossil Fuel Free Global Equity Fund, like all mandates managed by RBC Global Asset Management, applies an integrated environmental, social and corporate governance practice. We are exploring various options for clients who are interested in measuring the carbon intensity of their investments.

### Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

### Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (None)

### % revenue from low carbon product(s) in the reporting year

0.1

### Comment

Responsible Investing: <http://funds.rbcgam.com/investment-solutions/socially-responsible-investments/>

### Level of aggregation

Group of products

### Description of product/Group of products

Carbon Emission Trading: In 2017, we traded 241 million tonnes of carbon credits through the RBC Capital Markets Carbon Emissions Trading Group. Since the inception of the trading group in 2008, RBC has traded over 1 billion tonnes of carbon credits. The majority of the trading volume centres around the European Union Emissions Trading Scheme (EU ETS), the largest compliance market in the world. We also trade in the California Cap-and-Trade Program, Regional Greenhouse Gas Initiatives (RGGI), Climate Action Reserve, and other offset and voluntary markets.

### Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

### Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (None)

### % revenue from low carbon product(s) in the reporting year

0.1

### Comment

RBC Carbon Emission Trading:

<https://www.rbccm.com/en/expertise/commodities/emissions.page>

### Level of aggregation

Group of products

### Description of product/Group of products

Clean Energy Advice and Financing: RBC Capital Markets has a long history of providing credit, debt and equity underwriting services, and advisory services to both the renewable power generation and clean technology sectors. As of October 31, 2017, RBC had \$4.0 billion in loan and trading line exposures to companies whose predominant business is renewable energy.

### Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

### Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (None)

### % revenue from low carbon product(s) in the reporting year

0.1

### Comment

### Level of aggregation

Company-wide

### Description of product/Group of products

Investments in Green Affordable Housing: Green buildings and communities help protect the environment. The RBC Tax Credit Equity Group regularly invests in LEED certified and other green affordable housing projects in the U.S. In 2017, invested US\$836 million in affordable housing projects in the U.S. States through the RBC Capital Markets Tax Credit Equity Group.

### Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

### Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (None)

### % revenue from low carbon product(s) in the reporting year

0.1

### Comment

RBC Tax Equity Group: <https://www.rbccm.com/en/expertise/us-municipal-finance/tax-credit-equity-group.page>



## C5. Emissions methodology

---

### C5.1

---

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

#### Scope 1

**Base year start**

November 1 2011

**Base year end**

October 31 2012

**Base year emissions (metric tons CO2e)**

32046

**Comment**

#### Scope 2 (location-based)

**Base year start**

November 1 2011

**Base year end**

October 31 2012

**Base year emissions (metric tons CO2e)**

127445

**Comment**

#### Scope 2 (market-based)

**Base year start**

November 1 2011

**Base year end**

October 31 2012

**Base year emissions (metric tons CO2e)**

124779

**Comment**

## C5.2

---

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**

ISO 14064-1

The GHG Indicator: UNEP Guidelines for Calculating Greenhouse Gas Emissions for Businesses and Non-Commercial Organizations

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

---

### C6.1

---

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

#### Row 1

**Gross global Scope 1 emissions (metric tons CO2e)**

24676

**End-year of reporting period**

<Field Hidden>

#### Comment

Absolute tCO2e increased in 2017 (compared to 2016) due to the acquisition and inclusion of City National Bank's operations in scope in FY17. 2017 data are representative of all properties in Canada, the United States and the British Isles, representing 90% of our global floor area including City National Bank. Data are reflective of a complete year; however, due to variations in billing cycles, the reporting months may not reflect the RBC fiscal year of November 1 to October 31.

#### Row 2

**Gross global Scope 1 emissions (metric tons CO2e)**

23230

**End-year of reporting period**

2016

#### Comment

**Row 3****Gross global Scope 1 emissions (metric tons CO2e)**

25640

**End-year of reporting period**

2015

**Comment****Row 4****Gross global Scope 1 emissions (metric tons CO2e)**

35127

**End-year of reporting period**

2014

**Comment****C6.2**

---

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.****Row 1****Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

Methodology for market based per the GHG Protocol Scope 2 Guidance: an amendment to the Corporate Standard. RBC purchased 2,666 tonnes CO2e of renewable energy in FY 2017. We are unable to obtain supplier specific emissions factors from our electricity service suppliers.

**C6.3**

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?****Row 1****Scope 2, location-based**

96917

**Scope 2, market-based (if applicable)**

94251

**End-year of reporting period**

&lt;Field Hidden&gt;

**Comment**

RBC purchased 20,000 MWh of renewable energy representing avoid emissions of 2,666 tonnes of CO<sub>2</sub>e in FY 2017. We are unable to obtain emission factors from our major electricity suppliers at this time. Increases in absolute GHG emissions are primarily due to the inclusion of City National Bank for the first time in 2017.

**Row 2****Scope 2, location-based**

85049

**Scope 2, market-based (if applicable)**

82216

**End-year of reporting period**

2016

**Comment**

2016 v. 2015 - immaterial increase associated with implementation of new data management systems and stronger governance/controls over reporting from leased facilities.

**Row 3****Scope 2, location-based**

84285

**Scope 2, market-based (if applicable)**

81449

**End-year of reporting period**

2015

**Comment**

2015 v. 2014 - Absolute indirect GHG emissions (tCO<sub>2</sub>e) shows an increase as a result of an accounting reclassification related to inclusion of steam as an indirect source based on the recommendation from our auditors. In 2014, RBC included steam as a direct (Scope 1) emission. However, as of 2015 we reporting district steam as an indirect emission. In 2015, 8,909 tonnes of CO<sub>2</sub>e of steam was moved from direct to indirect energy consumption.

**Row 4****Scope 2, location-based**

84259

**Scope 2, market-based (if applicable)**

81146

**End-year of reporting period**

2014

**Comment****C6.4**

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes

**C6.4a**

**(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

**Source**

International Properties

**Relevance of Scope 1 emissions from this source**

Emissions are relevant but not yet calculated

**Relevance of location-based Scope 2 emissions from this source**

Emissions are relevant but not yet calculated

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are relevant but not yet calculated

**Explain why the source is excluded**

Since 2009, we have been able to measure and report on Scope 1 and 2 emissions for 100% of our properties located in Canada, the U.S. and the British Isles, which represented reporting from 90% of our global operations during this reporting year (measured by global floor area). Current gaps in Scope 1 and 2 data include energy reporting in the Caribbean and other international locations where there was a lack of reporting or where data was not available in a format that could support credible public reporting.

## C6.5

---

**(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.**

### Purchased goods and services

#### Evaluation status

Relevant, not yet calculated

#### Metric tonnes CO<sub>2</sub>e

0

#### Emissions calculation methodology

N/A

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### Explanation

In 2017, RBC became of a member of CDP Supply Chain and has invited its top 40 suppliers to respond to CDP as part of the supply chain program. We anticipate using these responses to engage our suppliers to improve their sustainability performance and strategies, and to work in collaboration with them on areas of intersection. We anticipate expanding this program to other large vendors within our supply chain in future years. This program will also help us better quantify our emissions as related to purchased goods and services, and we anticipate being able to disclose this information in future reports. In 2017, RBC purchased \$7.4 billion of goods and services from approximately 29,000 international, national, regional and local suppliers. We practice responsible and sustainable sourcing and effective supply chain management. We have a principles based Supplier Code of Conduct ([http://www.rbc.com/sourcing/Supplier\\_Code\\_of\\_Conduct\\_table.pdf](http://www.rbc.com/sourcing/Supplier_Code_of_Conduct_table.pdf)) to ensure the behaviour of our suppliers aligns with RBC standards, with an externally verified process to monitor supplier acknowledgement of the Code.

### Capital goods

#### Evaluation status

Not relevant, explanation provided

#### Metric tonnes CO<sub>2</sub>e

0

#### Emissions calculation methodology

Not applicable to our operations - we do not manufacture goods.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### Explanation

N/A

### Fuel-and-energy-related activities (not included in Scope 1 or 2)

#### Evaluation status

Not relevant, explanation provided

#### Metric tonnes CO<sub>2</sub>e

0

#### Emissions calculation methodology

N/A

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### Explanation

Not applicable to our operations.

### Upstream transportation and distribution

#### Evaluation status

Not relevant, calculated

#### Metric tonnes CO<sub>2</sub>e

184

#### Emissions calculation methodology

Logistics service providers provide monthly reports that track package weights, number of pieces, travel distances and associated GHG emissions for package deliveries for a particular month. The reports also provide details regarding the GHG emission intensity of vehicle delivery fleets (fundamental to creating GHG emissions reports based on actual vehicle performance in their fleet). The reports are tallied and summarized for our fiscal year.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

60

#### Explanation

In an average year RBC ships approximately 500,000 kg business supplies to our property network. Project One Stop (POS) is a transportation strategy that aims to reduce the environmental impacts of RBC's supply chain by re-thinking how products are delivered to RBC's facilities in Canada. POS reduces the number of deliveries to our Canadian properties by adjusting delivery frequencies and consolidating shipments (ensuring as much product as possible is delivered in one trip). This means fewer delivery truck trips to RBC facilities.

Transportation is a primary source of greenhouse gases emissions that contribute to climate change. Transportation is also responsible for the emission of other harmful pollutants, such as carbon monoxide, nitrous oxide, volatile organic compounds and particulate matter that can impact human health. Since project launch in 2012, a 54% reduction in GHG emissions associated with the transportation of goods.

## Waste generated in operations

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

0

### Emissions calculation methodology

N/A

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Explanation

RBC is a financial institution and does not have any significant sources of waste. Emissions associated with waste would not be material. There are no current plans to track and report on the carbon footprint associated with waste generated. We have purposely focused on waste reduction efforts as outlined in the RBC Environmental Blueprint: - Send zero electronic waste to landfill globally by 2018 - Ensure all major offices have waste diversion programs - Ensure all major construction and renovation projects have waste diversion plans for carpet, furniture and demolition waste. We report annually on our progress in achieving these commitments in our Corporate Citizenship Report.

## Business travel

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

28625

### Emissions calculation methodology

We track four categories of business travel: air, rail, rental vehicles and personal vehicles. Data coverage for air travel includes all staff in Canada, the US and the British Isles, which represents about 90% of all RBC staff globally

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

90

### Explanation



Travel data is based on data collection and record-keeping practices employed by our third-party travel service providers, RBC travel desks and expense-claim systems. Employees have a number of travel alternatives including audio, web and video conferencing and we have an intranet webpage dedicated to assisting employees in using these tools. An example is the annual two-day Canadian Banking sales leadership conference which is now held using WebEx technology to deliver live two-way video streaming. We reduced the need for employee travel by using remote collaboration tools for more than 1.7 million hours of meetings in 2017. The RBC Employee Environmental Stewardship Guidelines include guidance on low carbon travel, videoconferencing and teleconferencing for employees worldwide.

## Employee commuting

### Evaluation status

Relevant, not yet calculated

### Metric tonnes CO<sub>2</sub>e

0

### Emissions calculation methodology

N/A

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Explanation

RBC employs approximately 78,000 full and part-time employees through offices in Canada, the US and 37 other countries. We occasionally survey our employees on commuting habits but do not calculate the carbon footprint of employee commuting. We have provided online carpooling totals to employees in some of our larger commuting centres. For example, we have an employee carpool program called "Smart Commute" available to over 6,000 employees at our Meadowvale office in Mississauga, Ontario. In 2017, the program (based on a voluntary survey and therefore likely a conservative number) had 10,098 non single occupant vehicle trips logged, 349,935 km of carpools logged and an associated 73,129 kg of CO<sub>2</sub> saved.

## Upstream leased assets

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

0

### Emissions calculation methodology

Included in Scope 1 and 2 emission calculations. See answers to questions C6.1, C6.2, C6.3, C6.4 for further details.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### Explanation

We include leased properties in our calculation of Scope 1 and 2 emissions as we have the ability to put into action carbon reductions in these properties through green-leasing strategies, electrical and mechanical design standards and landlord-tenant engagement campaigns.

### Downstream transportation and distribution

#### Evaluation status

Relevant, not yet calculated

#### Metric tonnes CO2e

0

#### Emissions calculation methodology

N/A

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### Explanation

Deliveries of client statements and marketing materials are our largest source of downstream transportation emissions. In the RBC Environmental Blueprint, we have committed to reducing the amount of paper we use by expanding our electronic services and paperless banking options for clients and employees, thus reducing the need to transport these materials. Since 2006, we have converted more than 13 million accounts in Canada to electronic statements. The continued success of the e-Courier program allows branches in Canada to electronically submit documents to central processing offices. It also reduces the need for paper and the associated environmental impacts of transportation. In 2017 we continued to expand the use of digitization programs to convert paper-based documents into images. These applications were used to process an estimated 64.6 million pages of documents, avoiding the need for the transportation of 293 tonnes of copy paper.

### Processing of sold products

#### Evaluation status

Not relevant, explanation provided

#### Metric tonnes CO2e

0

#### Emissions calculation methodology

N/A

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### Explanation

Banking is a service-oriented industry with little to no exchange of physical goods.

### Use of sold products

#### Evaluation status

Not relevant, explanation provided

#### Metric tonnes CO2e

0

#### Emissions calculation methodology

N/A

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### Explanation

Banking is a service-oriented industry with little to no exchange of physical goods.

### End of life treatment of sold products

#### Evaluation status

Not relevant, explanation provided

#### Metric tonnes CO2e

0

#### Emissions calculation methodology

N/A

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

#### Explanation

Banking is a service-oriented industry with little to no exchange of physical goods.

### Downstream leased assets

#### Evaluation status

Not relevant, explanation provided

#### Metric tonnes CO2e

0

#### Emissions calculation methodology

N/A

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Explanation**

Not applicable to our operations

**Franchises****Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

0

**Emissions calculation methodology**

N/A

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Explanation**

Not applicable to our operations

**Investments****Evaluation status**

Not evaluated

**Metric tonnes CO2e**

0

**Emissions calculation methodology**

N/A

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Explanation**

RBC's investment and lending policies include requirements to review environmental and social issues, including climate change; however, we are currently not able to calculate the carbon emissions associated with our investments. We are currently exploring ways to quantify the emissions impact through investments as part of the FSB TCFD pilot program. For more on RBC's lending and investment policies, please see: <http://www.rbc.com/community-sustainability/environment/responsible-financing.html>

**Other (upstream)**

**Evaluation status****Metric tonnes CO2e****Emissions calculation methodology**

Percentage of emissions calculated using data obtained from suppliers or value chain partners

**Explanation**

Other (downstream)

**Evaluation status****Metric tonnes CO2e****Emissions calculation methodology**

Percentage of emissions calculated using data obtained from suppliers or value chain partners

**Explanation**

## C6.7

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(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

## C6.10

---

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

**Intensity figure**

0.064

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**

121592

**Metric denominator**

square meter

**Metric denominator: Unit total**

1904162

Scope 2 figure used

Location-based

% change from previous year

6.3

Direction of change

Increased

Reason for change

Increases in GHG emissions are primarily due to the inclusion of City National Bank for the first time in 2017.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Canada	22899
United States of America	864
United Kingdom of Great Britain and Northern Ireland	862
Jersey	22
Guernsey	38

C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By facility

By activity

**C7.3b****(C7.3b) Break down your total gross global Scope 1 emissions by business facility.**

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Branches	18115		
Major Properties	6275		
Data Centers	286		

**C7.3c****(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

Activity	Scope 1 emissions (metric tons CO2e)
Property Heating Domestic Hot Water	24676

**C7.5****(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Canada	52333	49667	377323	20000
United States of America	39816	39816	113720	
United Kingdom of Great Britain and Northern Ireland	4592	4592	11145	
Jersey	68	68	1933	
Guernsey	108	108	781	

## C7.6

---

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By facility

By activity

### C7.6b

---

**(C7.6b) Break down your total gross global Scope 2 emissions by business facility.**

Facility	Scope 2 location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Branches	47520	44854
Major Properties	38276	38276
Data Centers	11121	11121

### C7.6c

---

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

Activity	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Purchased electricity and district steam use	96917	94251

## C7.9

---

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Increased



## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Field Hidden>		
Other emissions reduction activities		<Field Hidden>		
Divestment		<Field Hidden>		
Acquisitions	11374	Increased	8.5	RBC acquired City National Bank in 2015 and included it in reporting for the FY 2017 year. The increases in emissions are primarily due to this acquisition.
Mergers		<Field Hidden>		
Change in output		<Field Hidden>		
Change in methodology		<Field Hidden>		
Change in boundary		<Field Hidden>		
Change in physical operating conditions		<Field Hidden>		
Unidentified		<Field Hidden>		
Other		<Field Hidden>		

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

## C8. Energy

---

### C8.1

---

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

### C8.2

---

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

### C8.2a

---

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	Please select	0	129013	129013
Consumption of purchased or acquired electricity	<Field Hidden>	202086	249913	452031
Consumption of purchased or acquired heat	<Field Hidden>	<Field Hidden>	<Field Hidden>	<Field Hidden>

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of purchased or acquired steam	<Field Hidden>		52871	52871
Consumption of purchased or acquired cooling	<Field Hidden>	<Field Hidden>	<Field Hidden>	<Field Hidden>
Consumption of self-generated non-fuel renewable energy	<Field Hidden>	32	<Field Hidden>	32
Total energy consumption	<Field Hidden>	202118	431797	633915

## C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	Yes
Consumption of fuel for co-generation or tri-generation	No

## C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

### Fuels (excluding feedstocks)

Natural Gas

### Heating value

Please select

### Total fuel MWh consumed by the organization

124927

### MWh fuel consumed for the self-generation of electricity

### MWh fuel consumed for self-generation of heat

124927

**MWh fuel consumed for self-generation of steam**

**MWh fuel consumed for self-generation of cooling**

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Field Hidden>

---

**Fuels (excluding feedstocks)**

Fuel Oil Number 2

**Heating value**

Please select

**Total fuel MWh consumed by the organization**

3883

**MWh fuel consumed for the self-generation of electricity**

**MWh fuel consumed for self-generation of heat**

3883

**MWh fuel consumed for self-generation of steam**

**MWh fuel consumed for self-generation of cooling**

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Field Hidden>

---

**Fuels (excluding feedstocks)**

Propane Liquid

**Heating value**

Please select

**Total fuel MWh consumed by the organization**

203

**MWh fuel consumed for the self-generation of electricity**

**MWh fuel consumed for self-generation of heat**

203

**MWh fuel consumed for self-generation of steam**

**MWh fuel consumed for self-generation of cooling**

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Field Hidden>

---

**Wood****Emission factor**

&lt;Field Hidden&gt;

**Unit**

&lt;Field Hidden&gt;

**Emission factor source**

&lt;Field Hidden&gt;

**Comment**

&lt;Field Hidden&gt;

**Wood Chips****Emission factor**

&lt;Field Hidden&gt;

**Unit**

&lt;Field Hidden&gt;

**Emission factor source**

&lt;Field Hidden&gt;

**Comment**

&lt;Field Hidden&gt;

**Wood Logs****Emission factor**

&lt;Field Hidden&gt;

**Unit**

&lt;Field Hidden&gt;

**Emission factor source**

&lt;Field Hidden&gt;

**Comment**

&lt;Field Hidden&gt;

**Wood Pellets****Emission factor**

&lt;Field Hidden&gt;

**Unit**

&lt;Field Hidden&gt;

**Emission factor source**

&lt;Field Hidden&gt;

**Comment**  
<Field Hidden>

**Wood Waste**

**Emission factor**  
<Field Hidden>

**Unit**  
<Field Hidden>

**Emission factor source**  
<Field Hidden>

**Comment**  
<Field Hidden>

**Other**

**Emission factor**  
<Field Hidden>

**Unit**  
<Field Hidden>

**Emission factor source**  
<Field Hidden>

**Comment**  
<Field Hidden>

**C8.2e**

**(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	32	32	32	32
Heat				
Steam				
Cooling				

## C8.2f

**(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.**

**Basis for applying a low-carbon emission factor**

Grid mix of renewable electricity

**Low-carbon technology type**

Solar PV

Wind

Hydropower

Biomass (including biogas)

Tidal

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

182118

**Emission factor (in units of metric tons CO2e per MWh)**

0

**Comment**

We calculate our percentage of renewable energy from the grid by applying specific market or location based grid factors to our energy consumption in that area.

**Basis for applying a low-carbon emission factor**

Energy attribute certificates, Renewable Energy Certificates (RECs)

**Low-carbon technology type**

Solar PV

Wind

Hydropower

Biomass (including biogas)

Tidal

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

20000

**Emission factor (in units of metric tons CO2e per MWh)**

0

**Comment**

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope

Scope 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance



**Attach the statement**[Assurance Scan.pdf](#)**Page/ section reference****Relevant standard**

ISAE 3410

**Proportion of reported emissions verified (%)**

100

**Scope**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**[Assurance Scan.pdf](#)**Page/ section reference****Relevant standard**

ISAE 3410

**Proportion of reported emissions verified (%)**

100

**C10.2**

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we do not verify any other climate-related information reported in our CDP disclosure

**C11. Carbon pricing**

## C11.1

---

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

## C11.2

---

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

Yes

### C11.2a

---

**(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.**

**Credit origination or credit purchase**

Credit purchase

**Project type**

Fossil fuel switch

**Project identification**

Project 6943 : Grid connected natural gas based electricity generation power plant at Vemagiri, Andhra Pradesh, India

<https://cdm.unfccc.int/Projects/DB/BVQI1344409042.88/view>

**Verified to which standard**

CDM (Clean Development Mechanism)

**Number of credits (metric tonnes CO2e)**

147551

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

147551

**Credits cancelled**

Yes

**Purpose, e.g. compliance**

## Voluntary Offsetting

## C11.3

**(C11.3) Does your organization use an internal price on carbon?**

Yes

## C11.3a

**(C11.3a) Provide details of how your organization uses an internal price on carbon.****Objective for implementing an internal carbon price**

Stakeholder expectations

Change internal behavior

Drive energy efficiency

Supplier engagement

Other, please specify (Funding for environmental initiatives)

**GHG Scope**

Scope 1

Scope 2

**Application**

Company wide - with local variations accepted

**Actual price(s) used (Currency /metric ton)**

0.33

**Variance of price(s) used**

There were no price variances this year.

**Type of internal carbon price**

Offsets

**Impact & implication**

In tandem with our efforts to reduce energy use and GHG emissions in our operations, RBC is proud to now be a carbon neutral organization. This decision also aligns with our continued support for carbon pricing and the development of carbon markets in Canada and around the world. To achieve carbon neutrality we purchased 147,551 tonnes of high quality carbon offsets (certified emission reduction units recognized by the United Nations) through the RBC Capital Markets Emissions Trading Group. The 147,551 tonnes represents our 2017 scope 1, 2 and 3 emissions as reported in the 2017 RBC Corporate Citizenship - ESG Investor Report. In 2019, we will establish an internal price on carbon of \$10 CDN per tonne

## C12. Engagement

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### C12.1

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#### (C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

### C12.1a

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#### (C12.1a) Provide details of your climate-related supplier engagement strategy.

##### Type of engagement

Compliance & onboarding

##### Details of engagement

Included climate change in supplier selection / management mechanism

Code of conduct featuring climate change KPIs

Climate change is integrated into supplier evaluation processes

##### % of suppliers by number

100

##### % total procurement spend (direct and indirect)

100

##### % Scope 3 emissions as reported in C6.5

1

##### Rationale for the coverage of your engagement

All of RBC suppliers are individually vetted and are required to abide by RBC's Supplier Code of Conduct ([http://www.rbc.com/sourcing/Supplier\\_Code\\_of\\_Conduct\\_table.pdf](http://www.rbc.com/sourcing/Supplier_Code_of_Conduct_table.pdf)). During the due diligence process, suppliers are asked to provide details on their environmental management plans, including specific strategies for air, land and water. Suppliers that do not have an environmental management program in place are flagged for enhanced due diligence. Suppliers who do not meet our environmental standards are strongly encouraged to create environmental management programs and in some cases this is written directly into the contract. Where possible RBC incorporates climate change and environmental

programs in the supplier selection process. In 2017, RBC became a member of CDP Supply Chain and has invited its top 40 suppliers to respond to CDP as part of the supply chain program. We anticipate using these responses to engage our suppliers to improve their sustainability performance and strategies, and to work in collaboration with them on areas of intersection. We anticipate expanding this program to other large vendors within our supply chain in future years.

### Impact of engagement, including measures of success

As part of CDP Supply Chain, we are targeting a 90% response rate for the approximately 40 suppliers that have been included in the program. Following the 2018 disclosures, we will work with these suppliers to better understand their climate impacts and strategies, and to determine if there are areas of collaboration. There are no current plans to track and report on the carbon footprint of our supply chain beyond what we will be doing as part of CDP Supply Chain except for a few suppliers we work closely with on GHG reduction initiatives (e.g. Project One Stop).

### Comment

We engage our suppliers in one on one reviews throughout the supplier registration and onboarding process. RBC's supplier management policy includes requirements in the procurement process to review environmental and social issues that can impact our business, our suppliers' businesses and communities. The review process ensures that we gather the appropriate environmental and social information regarding suppliers' operations and the products and services they offer to make informed procurement decisions. This includes reviewing product lifecycle analysis and third-party certification standards related to energy efficiency (i.e. EPEAT and Energy Star) and GHG emissions. Energy and carbon considerations are embedded in the majority of leasing and procurement activities that focus on real estate and IT.

## C12.1b

### (C12.1b) Give details of your climate-related engagement strategy with your customers.

#### Type of engagement

Other, please specify (Low Carbon/ESG Products)

#### Details of engagement

<Field Hidden>

#### Size of engagement

1

#### % Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

We offer environmental products and services to our clients to provide opportunities for financing/investing in opportunities related to the transition to a low carbon economy, including: Energy saver loan and mortgage products, solar panel financing, climate change business advice, responsible investing (including a fossil fuel free global equity fund), carbon trading, clean energy advice and financing, investments in green affordable housing.

#### **Impact of engagement, including measures of success**

RBC aims to continually grow these lines of business at a rate of at least 3% year over year in order to achieve its low carbon economy targets. Green credit lines: The RBC Energy Saver Loan falls in the Home Improvement category, which is 3% of the total home loans portfolio. Financing of clean energy companies: \$4.0 billion Direct investments in clean energy through RBC Tax Equity Group in US: \$836 million Underwriting of green bonds: \$5.1 billion Total value of SRI assets under management: \$5.5 billion Financing cleantech companies: \$100 million

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## **C12.1c**

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### **(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.**

We engage with various partners on on GHG emissions and climate change strategies including one to one meetings, written correspondence, events and collaborative projects. Some examples include: the Canadian Green Building Council (lobbying for superior building standards across Canada, including improved standards for building energy efficiency). We have participated in written correspondence through Smart Prosperity and the Carbon Pricing Leadership Coalition to support a price on carbon and the transition to a cleaner economy. We have partnered with the FSB Task force on a collaborative project to increase carbon related financial disclosures.

In 2017, RBC became of a member of CDP Supply Chain and has invited its top 40 suppliers to respond to CDP as part of the supply chain program. We anticipate using these responses to engage our suppliers to improve their sustainability performance and strategies, and to work in collaboration with them on areas of intersection. We anticipate expanding this program to other large vendors within our supply chain in future years.

## **C12.3**

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### **(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Direct engagement with policy makers  
 Trade associations  
 Funding research organizations  
 Other

## C12.3a

### (C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislation
Energy efficiency	Support	Participated and sponsored green building association events and meetings including the Canadian Green Building Council and Greening Greater Toronto.	Lobbying for across Canada standards for
Clean energy generation	Support	Provided comments to the Government of Ontario on the Ontario Climate Action Plan, specifically on the establishment of cap and trade program and associated carbon market.	The Ontario climate change pollution and economy.
Energy efficiency	Support	Participated and sponsored green building association events and meetings including the Canadian Green Building Council and Greening Greater Toronto.	Advocating for design standards
Carbon tax	Support	RBC has supported a price on carbon for the past decade. Below please find a quote from RBC's CEO. "Climate change is one of the most pressing issues of our time, and one that has galvanized humans to act. While we've seen important political progress, if we have any hopes of lasting change to the way we produce and consume energy, business has to be at the forefront. At RBC, we've publicly supported the principle of carbon pricing for more than a decade. We're pushing every part of our business to do more. We've expanded our financing of clean tech, energy efficiency and renewable energy businesses, and are excited to be part of the developing green bond and carbon trading markets. Last year we established a greenhouse gas reduction target for our global operations and we're now one of the largest purchasers of renewable energy, and one of the largest leasers of certified green office space in Canada. What does a bank see in a lower-carbon future? We see an essential path to prosperity for our clients and their communities, knowing that a sustainable planet goes hand in hand with a more efficient, productive and ultimately profitable economy for everyone. " David McKay, President and Chief Executive Officer, Royal Bank of Canada Following the launch of Ontario's cap-and-trade system in 2017, RBC created some educational resources to help manufacturing clients understand how the system works, who is required to participate and how it will impact their business. Those resources are available on RBC's Manufacturing, Wholesale and Logistics Resource Hub ( <a href="http://rbccorpea.newsweaver.com/greenrbnewsletterenglish/zwt95po79eq1b4031nl0o2?a=5&amp;p=52899750&amp;t=29403319">http://rbccorpea.newsweaver.com/greenrbnewsletterenglish/zwt95po79eq1b4031nl0o2?a=5&amp;p=52899750&amp;t=29403319</a> )	Supporting to reduce GHG CEO has put carbon: <a 51="" 944="" 954="" 969"="" data-label="Page-Footer" href="http://www.on-businessresources/rcadoption-of-price/articleRBC, carbon to create lor and to ensure move toward Stackhouse, RBC.&lt;/a&gt;&lt;/td&gt;&lt;/tr&gt; &lt;tr&gt; &lt;td&gt;Climate finance&lt;/td&gt;&lt;td&gt;Support&lt;/td&gt;&lt;td&gt;In July, RBC convened a financial sector roundtable with Minister of Environment and Climate Change, Catherine McKenna.&lt;/td&gt;&lt;td&gt;Provided comments to Ontario government on topics related to innovation and&lt;/td&gt;&lt;/tr&gt; &lt;tr&gt; &lt;td&gt;Mandatory carbon reporting&lt;/td&gt;&lt;td&gt;Support&lt;/td&gt;&lt;td&gt;RBC committed to a UNEP FI led project to pilot the FSB's recommendations on climate-related financial disclosures. During the pilot, nearly 12 banks will develop scenarios, models, indicators and methods for conducting climate-related financial disclosures.&lt;/td&gt;&lt;td&gt;Improved climate disclosure and recommendations&lt;/td&gt;&lt;/tr&gt; &lt;/table&gt; &lt;/div&gt; &lt;div data-bbox="> <p><a href="https://www.cdp.net/en/formatted_responses/responses?campaign_id=62255737&amp;discloser_id=3897&amp;locale=en&amp;organization_name=Royal+Ban...">https://www.cdp.net/en/formatted_responses/responses?campaign_id=62255737&amp;discloser_id=3897&amp;locale=en&amp;organization_name=Royal+Ban...</a> 105/113</p> </a>

## C12.3b

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**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

## C12.3c

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**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

The United Nations Environment Programme Finance Initiative (UNEP FI)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Position that banks, investors and insurers can and should play a pivotal role in supporting societies to gradually move to low-carbon and the need for climate-change-resilient economies.

**How have you, or are you attempting to, influence the position?**

RBC has been a proud member of UNEP FI since 1992. We have been co-chairs of the North American Task Force. In this role we helped determine what type of research was conducted. There are 3 advisory groups within UNEP FI. All of which focus on carbon within their subject area (insurance, investing and traditional banking). UNEP FI has a strong position statement on carbon and the roles of banks in achieving the low carbon economy. "Financial Services Sector recognize that economic development needs to be compatible with human welfare and a healthy environment. To ignore this is to risk increasing social, environmental and financial costs. We further recognize that sustainable development is the collective responsibility of governments, businesses and individuals. We are committed to working collectively toward common sustainability goals." RBC is one of sixteen banks participating in a UNEP FI project to pilot the recommendations of the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD). The focus of this group is to develop a methodology to enable banks to use different climate change scenarios to assess the impact of the risks on their lending portfolios. On April 26, 2018, the group of banks released its first report, "Extending Our Horizons: Assessing Credit Risk and Opportunity in a Changing Climate", which outlines a proposed methodology for assessing the impact of transition risks, and the climate change scenarios used. RBC will be piloting this methodology in 2018 and beyond. There will be a subsequent sister report issued in 2018



that will outline a proposed methodology for assessing the impact of physical risks, and the climate change scenarios used.

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### **Trade association**

Conference Board of Canada

### **Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association's position**

Numerous position statements and reports on a wide range of sustainability -related issues including Canada's need for better preparedness to address the physical impacts of climate change, Canada's transition to clean energy and the need for improved federal regulations to mitigate GHG emissions in Canada.

### **How have you, or are you attempting to, influence the position?**

RBC is a long-standing member of the Conference Board of Canada Business Council for Sustainability. By partnering with other companies, we are able to have a larger influence that working independently. We recently joined their research initiative (we are on the advisory council). The research initiative aims to better understand the link between the economy and the potential impact of carbon on our economy. The group acts as a collaborative force to create strong partnerships and programs to support organizations' roles in transitioning to a low carbon economy.

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### **Trade association**

Chartered Professional Accountants (CPA) Canada

### **Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association's position**

RBC and RBC GAM participate in a working group to assess current state of climate risk disclosure in Canada with CPA Canada.

### **How have you, or are you attempting to, influence the position?**

RBC and RBC GAM participate in a larger working group with CPA Canada. Together, the working group gains a better understanding of risk disclosure, providing clear criteria for evaluation to enhance the applicability and usefulness of the analysis. Accordingly, we have influenced the position by providing advice on the measurement criteria for evaluation to ensure a useful analysis is performed that can help further enhance climate change risk disclosures in Canada.

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### **Trade association**

Smart Prosperity

### **Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Founding member of Smart Prosperity, a cross-sectoral initiative focused on accelerating Canada's transition to a stronger, cleaner economy.

**How have you, or are you attempting to, influence the position?**

RBC CEO Dave McKay's speech on carbon, clean innovation and infrastructure development. Letter to First Ministers from major business and civil society leaders. More than 100 CEOs and civil society leaders have now urged the Prime Minister and Premiers to take bold action on clean growth and climate change. In March 2018 Smart Prosperity issued a report which RBC supported, calling on government to do more to foster clean innovation, through carbon taxes. The group is setting a clear game plan for Ottawa to compete in this race.

Recommendations include: an accelerated capital cost allowance to encourage investment in clean tech and a review of the country's approach to regulation.

(<https://www.smartprosperity.ca/thinking/accelerating-clean-innovation-canada>)

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**Trade association**

Carbon Pricing Leadership Coalition

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The Coalition officially launched at COP21 in Paris, with the goal to expand the use of effective carbon pricing policies that can maintain competitiveness, create jobs, encourage innovation, and deliver meaningful emissions reductions.

**How have you, or are you attempting to, influence the position?**

In 2018, RBC economics published a research report on carbon pricing and its implications in Canada

(<http://rbccorpea.newsweaver.com/greenrbcnewsletterenglish/1nnfz6xa17y1b4031nl0o2?a=5&p=52693027&t=29403413>) RBC CEO Dave McKay has also given numerous speeches on carbon, clean innovation and infrastructure development.

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## C12.3d

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**(C12.3d) Do you publicly disclose a list of all research organizations that you fund?**

Yes

## C12.3e

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**(C12.3e) Provide details of the other engagement activities that you undertake.**

Hosted a Renewable Energy Week in April 2018 where we green powered all of our Canadian operations for an entire week.

Invested \$7.8 million in environmental charities globally. This includes \$3.3 million in new RBC Blue Water Project grants for fresh water protection and preservation programs. We try to use our influence and resources to promote environmental sustainability within our organization and the communities where we operate.

Have an established RBC Green Champions program to increase employee awareness of and involvement in environmental programming at the bank. Developed a network that has representation from all RBC regions, business units and functions.

Conducted research and analysis on carbon pricing: [rbc.com/economics/economic-reports/pdf/other-reports/Carbon%20Pricing%20in%20Canada.pdf](http://rbc.com/economics/economic-reports/pdf/other-reports/Carbon%20Pricing%20in%20Canada.pdf).

Provided consultation to the federal and Ontario governments on numerous topics related to carbon, climate, clean innovation and green banks.

In April 2018, RBC Capital Markets hosted its 5th annual Green Bond Conference in Toronto and issued its annual green bonds market report: <http://rbcnet.fg.rbc.com/assets/rbcnet-home/documents/2018/04/rbc-green-bonds-report-04-2018.pdf>

## C12.3f

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### **(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Established processes to ensure alignment with overall climate change strategies include:

- Established governance structure (see response in question 1.1a);
- Internal subject matter expertise (see details of the roles and responsibilities of the RBC Environmental Affairs Group in question 1.1a);
- Established environmental policies that provide guidance (see responses in question 2.1);
- Direct engagement: RBC directly participates in activities that influence climate change policy including meeting with federal, state, provincial and municipal government officials and agencies

## C12.4

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(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

[RBC-CCR-Report-2017-e.pdf](#)

**Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

[RBC-Environmental-Blueprint.pdf](#)

**Content elements**

Governance

Strategy

Risks & opportunities

Emission targets

Other metrics

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

[RBC\\_ClimateChangePosition\\_Disclosure\\_Statement\\_2017.pdf](#)

**Content elements**

Governance

Strategy

Risks & opportunities

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**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

[ar\\_2017\\_e.pdf](#)

**Content elements**

Governance

Strategy

Risks & opportunities

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

[RBC-PAS-e-2017.pdf](#)

**Content elements**

Other, please specify (Environmental Donations Reporting)

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## C14. Signoff

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### C-FI

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**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

## C14.1

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**(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	Director, Environmental Affairs	Environment/Sustainability manager

## Submit your response

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**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

**Please confirm below**

I have read and accept the applicable Terms



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